

Message Text

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PAGE 01 HELSIN 00903 01 OF 03 290824Z
ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 EB-08 FRB-01
INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
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TO SECSTATE WASHDC 2521
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

UNCLAS SECTION 1 OF 3 HELSINKI 0903

BONN PASS IMC COLOGNE

E.O. 11652: N/A
TAGS: BEXP, AFSP, FI
SUBJECT: COUNTRY COMMERCIAL PROGRAM - DRAFT FY-79 CCP

REF: (A) STATE 000118,, (B) 77 HELSINKI 0633

1. SECTION 1 - OVERVIEW

THE CURRENT DEPRESSED FINNISH ECONOMY IS EXPECTED TO BEGIN TO SHOW MODEST IMPROVEMENT IN FY-79. THIS UPTURN, STIMULATED BY AN ANTICIPATED MODERATE INCREASE IN OVERSEAS BORROWING AND EASING OF DOMESTIC MONETARY CONDITIONS, IS EXPECTED TO BRING ABOUT SOME GROWTH IN IMPORTS, WHOSE VOLUME FELL EIGHT PERCENT IN 1977 AND HAS NOT REVIVED IN THE FIRST QUARTER OF 1978. DUE TO THE SHARP REDUCTION IN INVESTMENTS IN FINLAND OVER THE LAST THREE YEARS, IMPORT DEMAND FOR CAPITAL EQUIPMENT HAS BEEN PARTICULARLY DEPRESSED, AND INDUSTRIAL INVESTMENT IS EXPECTED TO FALL FURTHER IN 1978. U.S. SALES TO FINLAND - TRADITIONALLY HEAVY IN UNCLASSIFIED

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PAGE 02 HELSIN 00903 01 OF 03 290824Z

HIGH-TECHNOLOGY INVESTMENT GOODS - HAVE BEEN PARTICULARLY HARD HIT. U.S. EXPORTS FELL FROM FMK 1.47 BILLION OR 5.2 PERCENT OF TOTAL FINNISH IMPORTS IN 1976 TO FMK 1.44 BILLION OR 4.7 PERCENT LAST YEAR. HOWEVER, THE MODEST UPTURN EXPECTED IN FY-79 SHOULD REVIVE FINNISH INVESTMENT IN PRODUCTION FACILITIES AND EQUIPMENT, ESPECIALLY IN HIGH TECHNOLOGY AREAS IN WHICH THE U.S. IS A LEADER.

MOREOVER, THE CURRENT EXCHANGE RATE BETWEEN THE DOLLAR AND FINNMARK MAKES PURCHASING IN THE U.S. ATTRACTIVE. U.S. SHARE OF THE FINNISH MARKET FOR CAPITAL GOODS AND PRODUCTION EQUIPMENT AND SUPPLIES MAY WELL INCREASE IN FY-79.

2. THE MAJOR U.S. COMMERCIAL OBJECTIVES IN FINLAND ARE: TO INCREASE SALES AND MARKET SHARES OF U.S. GOODS AND SERVICES IN FINLAND; TO ASSURE AN OPEN AND NON-DISCRIMINATORY ENVIRONMENT FOR U.S. PRODUCT AND BUSINESS VENTURES; TO ENSURE THAT THE U.S. IS SEEN TO BE SYMPATHETIC TO FINLAND'S ECONOMIC PROBLEMS, WHILE SEEKING TO DISCOURAGE FINNISH CONSIDERATION OF TRADE AND PAYMENTS RESTRICTIONS AS POLICY ALTERNATIVES; TO ENCOURAGE AND SUPPORT CONTINUED FINNISH TRADE RELATIONSHIPS WITH MARKET-ECONOMY COUNTRIES AND COUNTER THE ADVOCACY OF INCREASED RELIANCE ON BILATERAL/CLEARING TRADE RELATIONS WITH CEMA COUNTRIES. TO THIS END WE SHOULD BE PREPARED TO COUNSEL FINNISH EXPORTERS ON EXPLORING U.S. MARKETS.

3. SECTION III - CAMPAIGNS.

CAMPAIGN 1: BUSINESS MACHINES AND EQUIPMENT INCLUDING COMPUTERS. - PRIORITY I.

BUSINESS MACHINES AND EQUIPMENT INCLUDING BUSINESS-ORIENTED COMPUTERS AND PERIPHERALS TOPPED THE LIST OF U.S. MACHINERY AND EQUIPMENT SALES TO FINLAND IN 1977.

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PAGE 03 HELSIN 00903 01 OF 03 290824Z

BUSINESS AND INDUSTRY EFFORTS TO CUT COST AND IMPROVE LABOR EFFICIENCY IN THE MANAGEMENT, SALES AND SERVICE AREAS AS WELL AS ON THE PLANT FLOOR INDICATE CONTINUED STRONG SALES OPPORTUNITIES. THE STRONGEST MARKET CURRENTLY IN THE COMPUTER FIELD IS FOR MINI-SYSTEMS, AND THERE IS A GROWING DEMAND FOR INTERFACING AND INTEGRATING MICROPROCESSORS AND PERIPHERALS. THIS CAMPAIGN WILL FOCUS ON PROMOTING U.S. PRODUCTS BY MEANS OF DEMONSTRATIONS/SALES SEMINARS AT EMBASSY FACILITIES AS WELL AS DEVELOPING TRADE OPPORTUNITIES AND PROMOTING FINNISH ATTENDANCE AT U.S. SPONSORED/SUPPORTED EVENTS IN THE U.S. AND EUROPE.

CAMPAIGN ACTIONS

CUMULATIVE ACTIONS

DEC MAR JUNE SEPT
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A) PROMOTE INTEREST AMONG FINNISH AGENTS FOR BSP TYPE DEMONSTRATIONS/ SALES SEMINARS IN COOPERATION WITH U.S. EMBASSY

X X

B) HOLD TWO DEMONSTRATIONS/SALES
SEMINARS AT EMBASYY 1 1 2 2
C) PROMOTE ATTENDANCE OF FINNISH
AGENTS AND END USER TO THE NATIONAL
OFFICE PRODUCTS (NOPA) SHOW IN
CHICAGO 10/9-12/78 X
D) IDENTIFY U.S. FIRMS PARTICI-
PATING DIRECTLY OR THROUGH LOCAL
AGENTS AT THE LOCAL EXHIBITION KT-78
(BUSINESS MACHINES AND EQUIPMENT)
10/10-14/78 FOR FOLLOW UP. X
E) FOLLOW UP CALLS TO FIRMS
IDENTIFIED IN D ABOVE TO DEVELOP
BEST SALES PROSPECTS. 2 4 4
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PAGE 04 HELSIN 00903 01 OF 03 290824Z

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PAGE 01 HELSIN 00903 02 OF 03 290843Z
ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-15 AID-05 EB-08
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SIL-01 MMO-04 (ISO) W
-----020202 291001Z /10

R 290645Z MAR 78
FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 2522
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
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UNCLAS SECTION 2 OF 3 HELSINKI 0903

BONN PASS IMC COLOGNE

4. CAMPAIGN 2: ELECTRONIC COMPONENTS, SUBASSEMBLIES, PRODUCTION AND TEST EQUIPMENT. - PRIORITY 2.
THE FINNISH ELECTRONICS INDUSTRY REMAINS HEALTHY DESPITE THE LAST THREE YEARS OF RECESSION. IT HAS STRENGTHENED ITS MARKET POSITION IN OVERSEAS AS WELL AS DOMESTIC MARKETS. PRODUCT DEVELOPMENT EFFORTS, PRIMARILY IN SYSTEMS DESIGN, HAVE BEEN PARTICULARLY EFFECTIVE AND ARE EXPECTED TO CONTINUE STRONG. BOTH U.S. PRODUCT COMPONENTS AND SUBASSEMBLIES, AND PRODUCTION AND TESTING EQUIPMENT ARE HIGHLY REGARDED AND ARE EXPECTED TO FIND ADDITIONAL AND GROWING MARKETS AS FINNISH INDUSTRY EXPANDS. HOWEVER, FINNISH MANUFACTURERS ENCOUNTER DIFFICULTIES IN OBTAINING TIMELY AND CLEAR INFORMATION ON U.S. EXPORT CONTROL PROCEDURES, ESPECIALLY AS THEY EFFECT SALES TO THE USSR AND EASTERN EUROPE OF EQUIPMENT INCORPORATING ADVANCED U.S. COMPONENTRY. MAJOR EFFORT IN THIS CAMPAIGN WILL BE DIRECTED TO INFORMING FINNISH

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PAGE 02 HELSIN 00903 02 OF 03 290843Z

FIRMS ON U.S. EXPORT ADMINISTRATION PROCEDURES AS WELL AS DEVELOPING SALES LEADS AND BEST SALES PROSPECTS.

CAMPAIGN ACTIONS CUMULATIVE ACTIONS

DEC MAR JUNE SEPT
31 31 30 30

A) PROMOTE ATTENDANCE OF FINNISH AGENTS AND END USERS TO THE INSTRUMENTATIONS AND AUTOMATION SHOW, PHILADELPHIA 10/30-11/3/78. X
B) MAKE PLANT VISITS TO MAJOR FINNISH PRODUCERS IN THE ELECTRONICS FIELD TO DEVELOP TOPS AND INFORMATION FOR BEST PROSPECTS REPORTING 2 3 4 4
C) PLAN AND SCHEDULE IN COOPERATION WITH DEP. OF COMMERCE OEA ONE BRIEFING SESSION ON OEA POLICIES AND PRACTICES OF SPECIAL INTERESTS TO FINNISH FIRMS (SEE RATIONALE UNDER OTHER SPECIAL POST EFFORTS) X

5. CAMPAIGN 3: PROCESS CONTROL EQUIPMENT. - PRIORITY 3.
DUE TO THE PROLONGED DEPRESSED STATE OF THE FINNISH ECONOMY, INVESTMENT IN PLANT AND EQUIPMENT HAS BEEN MUCH REDUCED OVER THE LAST THREE YEARS. ECONOMIC CONDITIONS ARE EXPECTED TO BEGIN TO IMPROVE IN FY-79 AND FINLAND SHOULD BE ENTERING A STAGE OF REVIVED INVESTMENT ACTIVITY. PROCESS CONTROL EQUIPMENT ACCOUNTS FOR A LARGE AND INCREASING PORTION OF INVESTMENT OUTLAYS IN THE FOREST

PRODUCTS, CHEMICAL, PHARMACEUTICAL AND FOOD PROCESSING
INDUSTRIES. AS THE INVESTMENT CURVE TURNS UPWARD A SHARP
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PAGE 03 HELSIN 00903 02 OF 03 290843Z

REBOUND IN DEMAND FOR A BROAD RANGE OF PROCESS CONTROL
EQUIPMENT IS ANTICIPATED. THE UNITED STATES WITH ITS HIGH
TECHNOLOGY IN THIS FIELD SHOULD FIND A STRONG, GROWING MARKET.

6. THIS CAMPAIGN WILL BE ORIENTED IN LARGE MEASURE TO
IDENTIFYING AND FOLLOWING INVESTMENT PLANNING AND ACTIVITY
OF INDIVIDUAL FINNISH FIRMS, DEVELOPING INFORMATION FOR
BEST PROSPECTS SALES REPORTING AND DEVELOPING TRADE OPPOR-
TUNITIES.

CAMPAIGN ACTIONS CUMULATIVE ACTIONS

DEC MAR JUNE SEPT
31 31 30 30

A) PROMOTE ATTENDANCE OF FINNISH
AGENTS AND END USERS TO THE INSTRU-
MENT AND AUTOMATION SHOW, PHILA-
DELPHIA 10/30-11/3, 78 AND THE PLANT
ENGINEERING AND MAINTENANCE SHOW,
HOUSTON 11/14-16/78 X
B) MAKE PLANT VISIT TO MAJOR
FINNISH PRODUCERS IN THE FIELDS
OF CHEMICALS, PHARMACEUTICALS AND
FOOD PROCESSING TO DEVELOP INFORMA-
TION ON BEST SALES PROSPECTS AND
TRADE OPPORTUNITIES 1 2 3 4

7. SECTION IV - OTHER SPECIAL POST EFFORTS
ACTIVITY 1. INFORMATION GATHERING AND PROMOTION EFFORTS
AMONG FINNISH INTERNATIONAL CONSTRUCTION/ENGINEERING
COMPANIES - PRIORITY 5.
SPECIAL POST EFFORTS WILL BE DIRECTED TO GAINING INFOR-
MATION ON THE PURCHASING METHODS AND OPERATING PATTERNS
OF FINNISH INTERNATIONAL CONSTRUCTION/ENGINEERING
COMPANIES AND PROMOTING SALES OF U.S. EQUIPMENT AND
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PAGE 04 HELSIN 00903 02 OF 03 290843Z

SUPPLIES. REPORTING ON SUBCONTRACTING OPPORTUNITIES
IS ALSO ANTICIPATED.

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PAGE 01 HELSIN 00903 03 OF 03 290826Z

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AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

UNCLAS SECTION 3 OF 3 HELSINKI 0903

BONN PASS IMC COLOGNE

8. ACTIVITY 2. PLANNING AND SCHEDULING OF SPECIAL
BRIEFINGS BY OFFICE OF EXPORT ADMINISTRATION OFFICIALS
ON POLICIES AND PRACTICES OF SPECIAL INTEREST TO
FINNISH FIRMS - PRIORITY 4.

MUCH OF THE U.S. ORIGIN COMPONENTRY AND SUBASSEMBLIES
USED IN THE FINNISH ELECTRONICS INDUSTRY IS SUBJECT TO
U.S. EXPORT ADMINISTRATION REGULATIONS. RECOGNIZING
THEIR DEPENDENCE ON IMPORTS OF SOPHISTICATED TECHNOLOGY
AND DESIRING TO MAINTAIN ACCESS TO U.S. SUPPLIERS,
FINNISH FIRMS ARE SEEKING CLEAR, AUTHORITATIVE GUIDANCE
REGARDING U.S. EXPORT ADMINISTRATION PRACTICES. SUCH
INQUIRIES ARE INCREASING. TO MEET THIS NEED AND TO
PREVENT U.S. EXPORT LOSSES, THE EMBASSY IS SEEKING
COOPERATION OF THE OFFICE OF EXPORT ADMINISTRATION IN
PLANNING AND SCHEDULING VISITS OF OFFICE OF EXPORT
ADMINISTRATION OFFICIALS TO FINLAND. THESE VISITS WILL
BE PLANNED AS BRIEFING SESSIONS ON OEA POLICIES AND
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PAGE 02 HELSIN 00903 03 OF 03 290826Z

PRACTICES OF SPECIAL INTEREST TO FINNISH FIRMS
PRODUCING ELECTRONIC PRODUCTS FOR LOCAL AS WELL AS
EXPORT SALES.

9. ACTIVITY 3. SUPPORT OF COLOGNE INTERNATIONAL MARKET-
ING CENTER - PRIORITY 6.
SUPPORT ACTIVITIES FOR PROMOTION EVENTS AT THE STOCKHOLM
TC ENABLED THE POST TO MAINTAIN OPTIMUM CONTACT WITH
AGENTS/END USERS IN VIRTUALLY ALL THE RELEVANT TARGET
INDUSTRIES. WITH THE CLOSING OF THE STC THERE WILL
BE A NEED TO REDIRECT AND DEVELOP ALTERNATIVE PROMOTION
OPPORTUNITIES. THUS THE POST WILL LOOK TO ACTIVITIES
GENERATED THROUGH THE COLOGNE IMC AS A MEANS TO CONTINUE
A LOCALLY ACCEPTED AND PRODUCTIVE EFFORT.

10. ACTIVITY 4. SUPPORT OF FOREIGN BUYER GROUP PROGRAM -
PRIORITY 7.
THE FOREIGN BUYER GROUP PROGRAM HAS BEEN A VIABLE,
PRODUCTIVE ACTIVITY. A MAJOR PORTION OF THE EMBASSY'S
TOURIST PROMOTION EFFORTS IS ACCOMPLISHED THROUGH THIS
MEDIUM, WHICH WILL CONTINUE AS A SPECIAL POST EFFORT.

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Secure: OPEN
Status: NATIVE
Subject: COUNTRY COMMERCIAL PROGRAM - DRAFT FY-79 CCP
TAGS: BEXP, AFSP, FI
To: STATE
Type: TE
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